

# CONFRONTING THE PANDEMIC AND RESCUING THE ECONOMY

America has always been defined by the grit and determination of its people, and our capacity to come together in common purpose at moments of great challenge. Across the generations, that spirit of resilience has seen us through war and depression, natural disasters and disease, and countless crises that have tested the Nation's strength, persistence, and commitment to core values and to one another. For more than a year, we have confronted a confluence of challenges that have called on that resilience like never before.

## *Inheriting Historic Challenges*

When the President took office, America was in the grips of the worst pandemic in a century and a painful economic downturn that had upended virtually every aspect of American life. By January, more than 24 million Americans across the Nation had contracted COVID-19. Infection rates and hospitalizations were soaring. More than 400,000 Americans had lost their lives and thousands were dying every single day. A more contagious variant of the virus had begun appearing in communities across America.

Meanwhile, the Administration inherited a disorganized and ineffective national vaccination effort that was struggling to get off the ground. When the President took office, only eight percent of America's seniors—and very few working-age adults—had received their first shot. At the same time, more than 10 months into the COVID-19 pandemic, the Nation still lacked adequate testing capacity and faced shortages of supplies like basic protective equipment for those working on the frontlines.

The broad failure to control the spread of COVID-19 in the months before the President took office had devastating and far-reaching consequences. Millions of students and parents were forced to navigate the challenges of remote learning—straining countless families and disproportionately affecting Black, Hispanic, Asian, and Native American students, as well as students with disabilities and English language learners. Disruptive changes in people's daily lives also took a significant toll on both mental and physical health. Medically fragile individuals and those with chronic diseases such as hypertension, obesity, and diabetes had to make the decision to either protect their health and avoid a negative outcome from COVID-19, or risk losing their jobs. More Americans reported experiencing symptoms of anxiety, overdose deaths rose, and domestic violence surged. Moreover, the COVID-19 pandemic exposed and exacerbated deeply rooted health inequities in the Nation and laid bare gaps and weaknesses in America's public health infrastructure.

As the virus tore across America, it left enormous economic damage in its wake. In January, more than 10 million Americans were out of work, with a national unemployment rate of 6.3 percent. After accounting for workers who either dropped out of the labor force or could not find full-time work, the unemployment rate was over 12 percent. More than 52 percent of America's unemployed had been jobless for more than 15 weeks, a level of long-term unemployment unseen since the depths of the Great Recession. In addition, 1 in 11 Black workers and 1 in 12 Latino workers were unemployed.

Thousands of small businesses closed their doors—many permanently—with many others struggling to stay afloat.

The jobs crisis was particularly severe among women. When the President took office, a staggering 2.5 million women had dropped out of the labor force due to the COVID-19 pandemic—many to help care for their children, with potential lifetime consequences in terms of economic security. Between February 2020 and January 2021, the labor force participation rate for women dropped by 3.7 percent overall, 6.4 percent for Black women, and 6.6 percent for Hispanic women, eviscerating more than 35 years of progress in labor force participation in just one year. The economy was hit hardest in female dominated industries like retail and restaurants. On top of the job loss in those sectors, women working on the frontlines of the COVID-19 pandemic in nursing homes and hospitals—many of whom are often low-paid women of color—risked their health and scrambled to take care of their own families so they could care for others. Early childhood and child care providers—a significant share of which are owned by women and people of color—have also been devastated by the COVID-19 pandemic. Estimates suggest that among child care providers open at the beginning of the COVID-19 pandemic, as of December 2020, roughly one in four were closed.

As a result of this enormous economic disruption, countless Americans who were financially stretched even before the COVID-19 pandemic were plunged into an economic emergency. One in three households struggled to afford basic expenses. Millions of households reported not having enough to eat. Millions of Americans fell behind on their rent or mortgage payments, with more than 15 million households reporting overdue payments when the President took office. Roughly two to three million people lost employer sponsored health insurance between March and September. Further, going into the COVID-19 pandemic, about 30 million people lacked coverage, limiting their access to the healthcare system when the COVID-19 pandemic struck.

### ***Delivering Immediate Relief: Passing the American Rescue Plan Act of 2021***

In the face of these twin public health and economic crises, the President took immediate, bold action to deliver relief to the American people. The President proposed and signed into law the American Rescue Plan Act of 2021 (the American Rescue Plan)—a historic, comprehensive package designed to help change the course of the COVID-19 pandemic, deliver desperately needed support to millions of workers, families, and small businesses, and build a bridge to a robust, equitable economic recovery.

The American Rescue Plan advanced three critical priorities. First, it included urgently needed resources to help families and businesses weather the worst of the COVID-19 pandemic, including: \$1,400 per-person rescue payments for households across America; extended unemployment insurance; housing and nutrition assistance; increased access to safe and reliable child care and affordable healthcare; historic expansions of middle class tax relief for working families; a solution to the crisis in America's multi-employer pension system; and support for hard-hit small businesses. Second, it provided vital resources to help safely reopen K-8 schools in communities across the Nation and address the needs of students. Third, it provided resources to help mount an unprecedented Government-wide effort to defeat the COVID-19 pandemic, including funding to: set up community vaccination sites nationwide; dramatically scale up testing and tracing; eliminate supply shortage problems; support community health centers; and address health disparities.

The resources included in the American Rescue Plan, coupled with the President's whole-of-Government response, have already begun to change the course of the COVID-19 pandemic and bolster the economy. In a matter of months, the Administration turned the slow-moving and underperforming vaccination effort it inherited into one of the most effective vaccination systems anywhere in the world. The Administration exceeded

the President's initial goal of administering 100 million shots in his first 100 days, ultimately administering 220 million shots in the President's first 100 days in office—an unprecedented national mobilization. As of May 17, nearly 60 percent of American adults had received at least one shot; nearly 85 percent of all seniors had received at least one shot and nearly 73 percent were fully vaccinated; and daily deaths were down more than 80 percent since January 20. All Americans 12 and older are now eligible for a COVID-19 vaccine. In addition, the Administration met the President's goal to reopen a majority of K-8 schools within the first 100 days.

As the Administration has ramped up the national COVID-19 pandemic response, the economy has started to get back on track. The President oversaw the creation of more than 1.5 million new jobs in his first 100 days in office—more than any president on record. Economists have raised their Gross Domestic Product growth forecasts for 2021 to 6.6 percent, which would be the fastest pace of economic growth in America in nearly four decades. Consumer confidence and spending are on the rise. Business activity is rebounding.

Moreover, the Administration is ensuring the American Rescue Plan reaches families, communities, and small businesses. The Department of the Treasury has already delivered more than 165 million relief payments of up to \$1,400 per person. The American Rescue Plan is delivering nutrition assistance to millions of Americans facing hunger, rental assistance and mortgage relief to help families stay in their homes, and loans to small businesses to help keep their doors open. It includes the largest investment in child care since World War II, which will especially benefit women of color. It is reducing healthcare premiums, expanding access to insurance coverage, and addressing persistent health disparities. It ensures that millions of American workers and retirees will receive the pensions they earned. In addition,

it is projected to reduce poverty by 32 percent, lifting a total of nearly 13 million Americans out of poverty—this would mean a 38-percent drop in the Black poverty rate, a 43-percent drop in the Hispanic poverty rate, a 23-percent drop in the Asian American and Pacific Islander poverty rate, and a 50-percent drop in the child poverty rate.

### ***Emerging from Crises and Focusing on the Future***

While significant challenges remain, the American Rescue Plan has succeeded by virtually every measure in helping address the immediate economic and public health crises the Administration inherited. However, even as the Administration makes significant strides to get the Nation back on track, the President believes it is not enough to go back to the way things were before the COVID-19 pandemic struck, or to settle for a shrunken view of what America can be. The President believes this is a moment to build back better and to rise to meet the full range of challenges and opportunities before us—from rebuilding America's crumbling physical and care infrastructure and creating millions of good-paying jobs, to combatting climate change and revitalizing American manufacturing, to expanding access to both early childhood and higher education and addressing systemic inequities, and more.

None of this work will be easy. Many of the challenges America faces have been years or decades in the making. These challenges do not lend themselves to quick or easy solutions, nor will they be fully resolved in a single year or with a single budget. But it is precisely at the moments of greatest consequence that Americans have shown their capacity to think big and do the hard work of charting a new and better course for the future. Our charge now is to carry that legacy forward.